

## Tax Bulletin 15-07

### Re: 2007 Legislative Sales Tax Changes

During Utah Legislature's 2007 General Session, several bills were adopted that impact Utah's sales and use tax laws. Highlights include:

#### House Bills

**HB 33 Sales and Use Tax Exemptions for Vehicles, Boats, Boat Trailers, or Outboard Motors Not Registered in the State** – This bill provides that a vehicle, boat, boat trailer, or outboard motor that received the out-of-state sales tax exemption may be used in the state up to 30 days in a calendar year and remain eligible for the sales and use tax exemption so long as the use in the state is a nonbusiness use. **Effective 7/1/07**

**HB 34 Sales and Use Tax Exemptions for Certain Property Brought into the State** – This bill (1) provides that sales of property purchased outside the state, first used outside the state, and brought into the state by a nonresident are exempt from sales and use tax if that property is not used to conduct business in the state; and (2) enacts a sales and use tax exemption for sales of property used in conducting a business if that property was purchased outside the state, first used outside the state, and brought into the state. **Effective 7/01/07**

**HB 42 Sales and Use Tax Exemption for Authorized Carriers** – This bill exempts from sales and use tax the sale, lease, or use of tangible personal property that is installed: (1) on a vehicle sold or leased to or used by an authorized carrier; and (2) before the vehicle is placed in service for the first time. **Effective 7/1/07**

**HB 65 Special & Local Districts Amendments** – This bill exempts sales to a public transit district, or a subcontractor of a public transit district, including sales of construction materials that are to be installed or converted to real property owned by the public transit district. **Effective 4/30/07**

**HB 297 Calculation of Credit for Certain Repossessions of a Motor Vehicle** – This bill provides that the credit for repossession of a motor vehicle is reduced by the amount of the motor vehicle's unpaid purchase price that a seller recovers other than as a result of reselling the vehicle. **Effective 7/1/07**

#### Senate Bills

**SB 22 Sales and Use Tax Exemptions for Certain Governmental Entities and Entities Within the State Systems of Public and Higher Education** – This bill clarifies the definition of "school" to include the Electronic High School for purposes of the sales and use tax exemptions for sales relating to schools and fundraising sales; modifies the definition of "governmental entity" to exclude the state systems of public and higher education; modifies the sales and use tax exemption for photocopies to provide that the exemption for sales of photocopies by a governmental entity includes an entity within the state system of public education; provides a sales and use tax exemption for sales of publications by a governmental entity. **Effective 7/1/07**

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**SB 96 Sales and Use Tax Exemption for Disposable Home Medical Equipment or Supplies** – This bill defines the term “disposable home medical equipment or supplies” to include items that cannot withstand repeated use; and enacts a sales and use tax exemption for sales of disposable home medical equipment or supplies used exclusively by a person for whom a prescription is prescribed, and if the items are eligible under Titles 18 or 19 of the Federal Social Security Act. **Effective 7/1/07**

Additional information on these and other new sales and use tax laws can be found at [tax.utah.gov/sales](http://tax.utah.gov/sales).

**Advance Notice:** The format of sales and use tax returns will change beginning with the January 2008 filing period, going from the TC-61 series of forms to the TC-62 series of forms. The forms are being redesigned to incorporate law changes effective January 2008, and to be processed on our scanning equipment. Consequently, they must meet certain design standards. If you develop your own version of a Utah sales tax form, your form must also meet these standards and be pre-approved by the Tax Commission. Publication 99, Guidelines for Substitute and Copied Utah Tax Forms outlines the specifications that must be met and the procedures for obtaining approval. The publication is available online at [www.tax.utah.gov/forms](http://www.tax.utah.gov/forms). The redesigned TC-62 series of forms will be available on our website on or about Aug. 31, 2007.

#### QUESTIONS...



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**Changes in Utah laws or Tax Commission rules may supersede this Tax Bulletin.**  
**For the most current guidance relating to state and local taxation, including local sales tax rates, visit the Tax Commission's Internet website at [tax.utah.gov](http://tax.utah.gov).**